(c) In view of (a) and (b) above, does not arise.

Penalty on banks disbursing less loans

†2859. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under consideration of Government to impose penalty on the banks disbursing loans below the prescribed targets;

(b) if so, the details thereof; and

(c) by when a final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) and (c) Do not arise.

Strike against merger of banks

†2860. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Public Sector Banks were on country-wide strike to protest against merger of banks and foreign investment;

(b) if so, the details thereof; and

(c) what is the Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes. Sir. The Employees 'Union and Officers' Associations of Public Sector Banks (PSBs) were on strike on 22nd March 2005 in protest against merger and acquisition of PSBs and foreign Banks/Institutions/Investors taking over Indian banks.

(d) While the Government recognizes the right of the Officers' and Employees' Associations of PSBs to protest against any proposal of their managements within the constitutional framework, any proposal for consolidation by way of merger etc. of one nationalized bank with another nationalized bank has to come from their managements with Government

†Original notice of the question was received in Hindi.

playing only a supportive role as the common share holder. To bring the Indian banking industry to global level, new initiatives have to be introduced including, consolidation of the domestic banking system in both public and private sectors on the one hand and gradual enhancement of the presence of foreign banks in India in a phased manner on the other.

Study on Functioning of RRBs

2861. SHRI NAND KISHORE YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether Government have made a study on the functioning of RRBs;

(b) if so, the details in this regard;

(c) the steps Government propose to take to make the RRB's function effectively in rural sector;

(d) whether the Public Sector banks would iron out their differences and reduce the number of RRBs to function under one Public Sector Bank in a region; and

(e) if so, the details thereof and if not/the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The following working groups/ committees constituted from time to time have examined various aspects of RRBs including their functioning.

1. Committee on Rural Banks (Dantwala Committee, 1978).

2. Committee to review arrangement for institutional credit for agriculture and rural development (CRAFICARD, 1981).

3. Working Group on Regional Rural Banks (Kelkar Committee, 1974).

4. Agriculture Credit review committee (ACRC, 1989).

5. Committee on financial system (Narasimham Committee, 1991).